

# House File 392 - Introduced

HOUSE FILE \_\_\_\_\_  
BY WHITAKER

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act providing for the free association of contract producers  
2 of agricultural commodities and providing a penalty.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
4 TLSB 2413HH 82  
5 da/je/5

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1 1 Section 1. Section 202.1, Code 2007, is amended by adding  
1 2 the following new subsection:  
1 3 NEW SUBSECTION. 1A. "Agricultural producer" means a  
1 4 person who produces a commodity.  
1 5 Sec. 2. Section 202.1, subsection 6, Code 2007, is amended  
1 6 to read as follows:  
1 7 6. "Contract producer" means ~~a person~~ an agricultural  
1 8 producer who holds a legal interest in a contract operation  
1 9 and who produces a commodity at the contract producer's  
1 10 contract operation under a production contract executed  
1 11 pursuant to section 202.2.  
1 12 Sec. 3. NEW SECTION. 202.3A FREE ASSOCIATION.  
1 13 1. A contractor shall not act or attempt to act in a  
1 14 coercive or retaliatory manner that restricts a contract  
1 15 producer from associating with persons, including but not  
1 16 limited to communicating with another agricultural producer or  
1 17 affiliating with an organization whose members are  
1 18 agricultural producers.  
1 19 2. Any provision in a contract executed between a contract  
1 20 producer and a contractor, including a production contract, is  
1 21 void if the provision restricts a contract producer from  
1 22 associating with persons, including but not limited to  
1 23 communicating with another agricultural producer or  
1 24 affiliating with an organization whose members are  
1 25 agricultural producers.  
1 26 Sec. 4. Section 202.5, Code 2007, is amended to read as  
1 27 follows:  
1 28 202.5 PENALTIES.  
1 29 1. A contractor who executes a production contract that  
1 30 includes a confidentiality provision in a production contract  
1 31 in violation of section 202.3 is guilty of a fraudulent  
1 32 practice as provided in section 714.8.  
1 33 2. A contractor who acts or attempts to act in a coercive  
1 34 or retaliatory manner in violation of section 202.3A is guilty  
1 35 of an aggravated misdemeanor.

2 1 EXPLANATION  
2 2 In 1999, the general assembly enacted House File 322 (1999  
2 3 Iowa Acts, ch. 169) which provided for the production and  
2 4 purchasing of agricultural commodities by regulating the  
2 5 relationship between a contractor and a contract producer. A  
2 6 contractor is a person who contracts with an agricultural  
2 7 producer to produce a commodity on property held by the  
2 8 agricultural producer. The agricultural producer is referred  
2 9 to as a contract producer. The contract is referred to as a  
2 10 production contract and commodity means crops, raw milk, and  
2 11 livestock.  
2 12 This bill creates a new Code section which prohibits a  
2 13 contractor from acting or attempting to act in a coercive or  
2 14 retaliatory manner that restricts a contract producer from  
2 15 associating with persons including communicating with other  
2 16 agricultural producers or affiliating with agricultural  
2 17 producer organizations. The bill provides that any provision  
2 18 in a contract executed between a contract producer and a  
2 19 contractor is void if the provision restricts a contract  
2 20 producer from associating with such persons.

2 21 The bill also provides that a contractor who acts or  
2 22 attempts to act in a coercive or retaliatory manner in  
2 23 violation of the bill's prohibition is guilty of an aggravated  
2 24 misdemeanor. An aggravated misdemeanor is punishable by  
2 25 confinement for no more than two years and a fine of at least  
2 26 \$625 but not more than \$6,250.  
2 27 LSB 2413HH 82  
2 28 da:nh/je/5